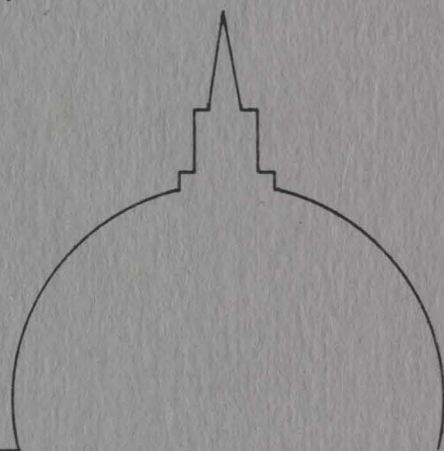


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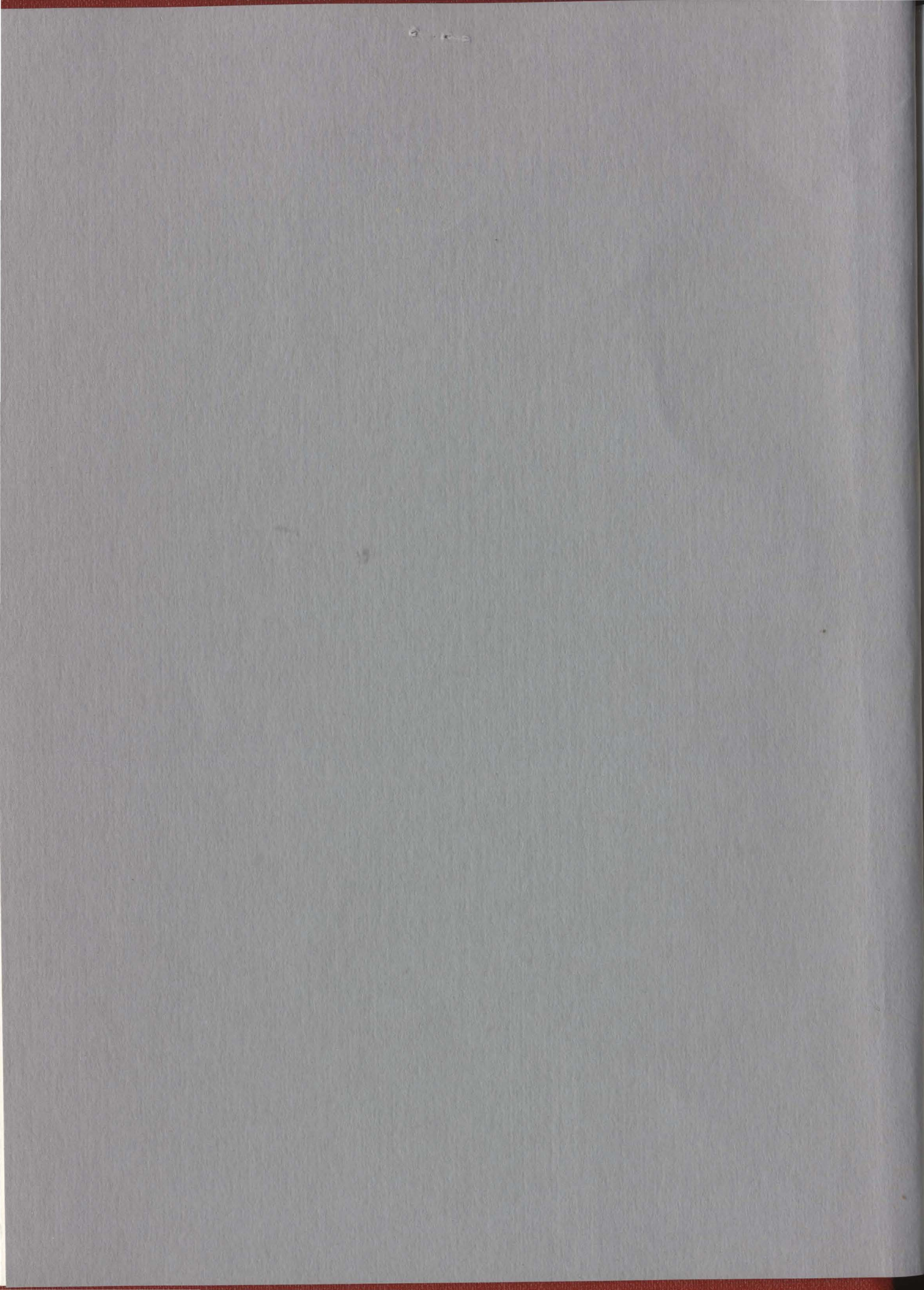
A Semi-Annual  
Report of  
Audit  
Results &  
Activities  
For the Period  
January 21, 1987  
To July 21, 1987



A. Joseph DeNucci, Auditor of the Commonwealth

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# The Commonwealth of Massachusetts

AJB-628

## AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DENUCCI  
AUDITOR

TEL. (617) 727-2075

November 30, 1987

His Excellency Michael S. Dukakis, *Governor*  
Honorable William M. Bulger, *President of the Senate*  
Honorable George Keverian, *Speaker of the House of Representatives*  
Honorable Patricia McGovern, *Chairman of the Senate Ways and Means Committee*  
Honorable Richard Voke, *Chairman of the House Ways and Means Committee*  
Honorable Members of the General Court:

On January 21, 1987, when I assumed office as Auditor of the Commonwealth, I pledged to continue to be an advocate for the public good and a catalyst for improved government services. I vowed to build a more progressive, professional, and timely audit organization, and to play a key role in the financial management of state government. I promised, further, to work constructively with all parties to assist the Legislature, state executives, and program managers in economically, efficiently, and effectively carrying out their mandated responsibilities. In keeping with this pledge, I am pleased to submit to you the first Semi-Annual Report on the Activities of the Office of the State Auditor (OSA), covering the period January 21, 1987 to July 21, 1987.

This report has been initiated by my administration to make the OSA more responsive and accountable to the Legislature and the taxpayers who provide funding for state government programs. The report identifies the authority and responsibilities of the OSA. It explains how the OSA has been reorganized to develop a more specialized and structured approach to auditing in accordance with its enabling legislation and the standards of the profession. It also provides a general overview of audit activity over the six-month period, highlights some of the major statewide initiatives planned for fiscal year 1988, and lists all of the audits issued and the Division of Local Mandates' determinations and cost studies performed during the first six months of my tenure as State Auditor.

In addition, I requested and received a peer review of the OSA's operations for the 18 months ended December 31, 1986, from the New England Intergovernmental Audit Forum. I intend to implement its recommendations in order to improve the quality of



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the OSA's responsiveness to the standards of the profession and to the agencies and citizens of the Commonwealth.

I hope this information will be useful in your budget deliberations, and I welcome your comments or suggestions regarding any audit information that would further help to monitor state expenditures and improve the efficiency and effectiveness of state government programs. In submitting this report, I would like to thank the members of the Great and General Court and in particular, the Ways and Means Committees and their staff, for supporting my initiatives. I look forward to continuing to work with you to improve the quality of state government and the services that the Commonwealth provides to its citizens.

Respectfully submitted,

*A. Joseph DeNucci*  
A. JOSEPH DENUCCI  
Auditor of the Commonwealth

AUTHORITY AND RESPONSIBILITY

ORGANIZATIONAL STRUCTURE

OVERVIEW OF AUDIT REPORTS ISSUED

- Overview
- Outside Referrals
- Summary of Audit Results and Recommendations

CONCLUSION

APPENDIX I - LISTING OF AUDIT REPORTS ISSUED

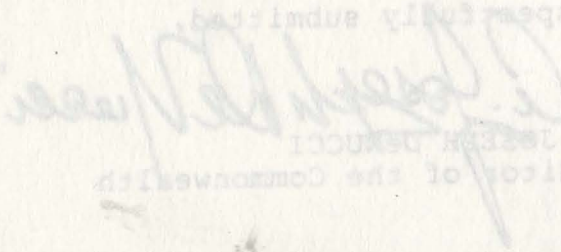
APPENDIX II - DLM DETERMINATIONS AND COST STUDIES



the OAG's responsiveness to the standards of the profession and to the parties and citizens of the Commonwealth.

I hope this information will be useful in your budget deliberations, and I welcome your comments or suggestions regarding any audit information that would further help to monitor state expenditures and improve the efficiency and effectiveness of state government programs. In submitting this report, I would like to thank the members of the Great and General Court and in particular, the Ways and Means Committee and their staff, for supporting my initiatives. I look forward to continuing to work with you to improve the quality of state government and the services that the Commonwealth provides to its citizens.

Respectfully submitted,

  
A. JOSEPH D'AMICO  
Auditor of the Commonwealth



# A Semi-Annual Report of Audit Results & Activities

For the Period January 21, 1987 to July 21, 1987

## OFFICE OF THE STATE AUDITOR

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The OSA conducts financial/compliance audits, economy/efficiency audits, and program results audits in accordance with the U. S. General Accounting Office's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," known in the profession both as Generally



# A Semi-Annual Report of Audit Results & Activities

For the Period January 21, 1987 to July 27, 1987

OFFICE OF THE STATE AUDITOR

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## AUTHORITY AND RESPONSIBILITIES OF THE OFFICE OF THE STATE AUDITOR

The Office of the State Auditor (OSA) operates under the direction and control of the State Auditor, an independently elected constitutional officer.

It is the responsibility of the OSA to furnish the Governor, the Legislature, auditees, and the general public with an independent evaluation of the various agencies, activities, and programs within the Commonwealth. The State Auditor is mandated, under Chapter 11, Section 12, of the Massachusetts General Laws to conduct an audit at least once every two years of all departments, offices, commissions, institutions, and activities of the Commonwealth, including its court system and authorities. Not including special audit projects, the number of mandated audits totals approximately 750. The Auditor also has authority to audit the thousands of vendors under contract with the Commonwealth and its instrumentalities. In addition, the Auditor is responsible, under Chapter 11, Section 6B, of the Massachusetts General Laws, for the Division of Local Mandates, which is charged primarily with determining the financial impact of legislation on cities and towns.

The OSA conducts financial/compliance audits, economy/efficiency audits, and program results audits in accordance with the U. S. General Accounting Office's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," known in the profession both as Generally



Accepted Government Auditing Standards (GAGAS) and as the Yellow Book standards.

OSA audit activities include:

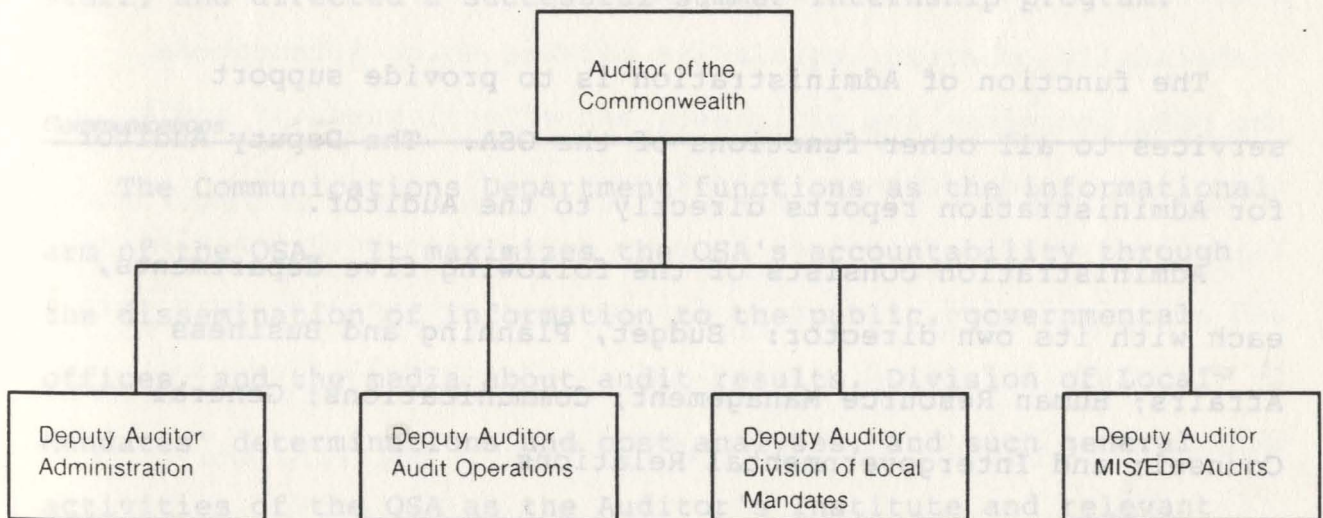
- Attesting to the fair presentation, accuracy, and reliability of an auditee's financial statements;
- Determining whether the Commonwealth's resources are properly safeguarded;
- Determining whether such resources are properly and prudently used;
- Determining an auditee's compliance with legal and regulatory requirements;
- Evaluating management's economy and efficiency in its use of resources;
- Determining and evaluating a program's results, benefits, or accomplishments; and
- Ensuring that all audit results are fully disclosed to the public and the auditee.

All OSA recommendations are intended to assist agency and program administrators by indicating areas where accounting and administrative controls, financial operations, program results, and efficiency and effectiveness can be improved, and by providing technical assistance where appropriate. An important step in the OSA's conducting of an audit is the exit conference, in which the auditee is given an opportunity to respond to the audit and its recommendations. In short, the OSA is not simply a critic; but an agent, an advocate, and a catalyst for improved management and delivery of government services.

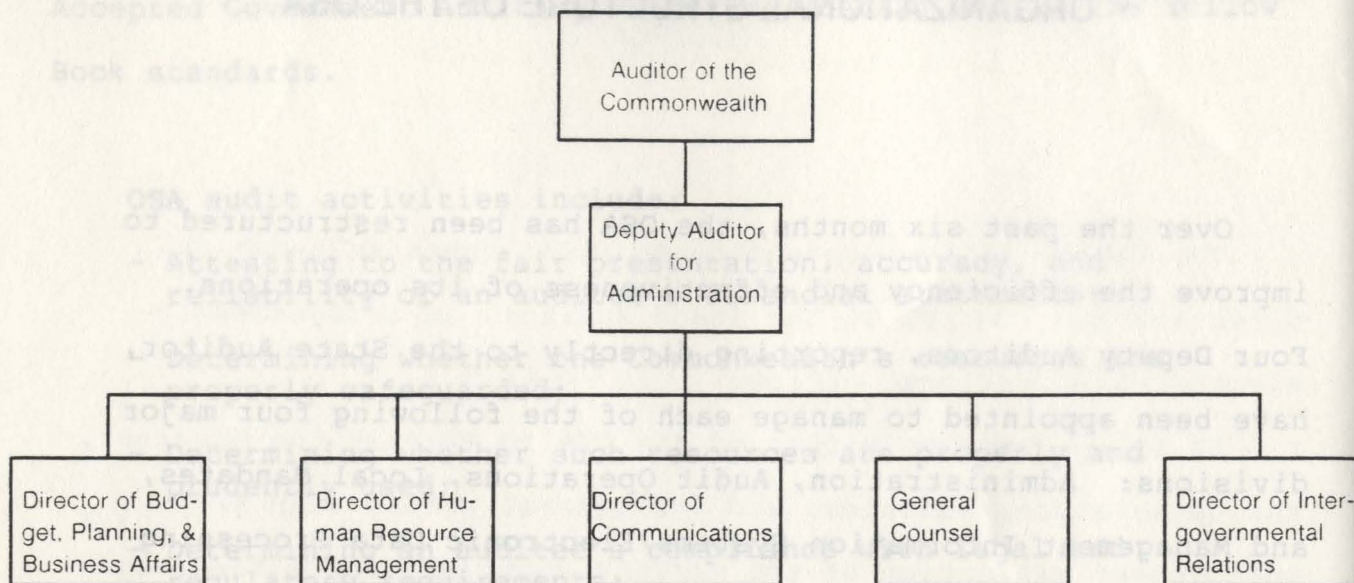


## ORGANIZATIONAL STRUCTURE OF THE OSA

Over the past six months, the OSA has been restructured to improve the efficiency and effectiveness of its operations. Four Deputy Auditors, reporting directly to the State Auditor, have been appointed to manage each of the following four major divisions: Administration, Audit Operations, Local Mandates, and Management Information Systems/Electronic Data Processing (MIS/EDP) Audits. A brief description of each area follows.







#### ADMINISTRATION

The function of Administration is to provide support services to all other functions of the OSA. The Deputy Auditor for Administration reports directly to the Auditor.

Administration consists of the following five departments, each with its own director: Budget, Planning and Business Affairs; Human Resource Management; Communications; General Counsel; and Intergovernmental Relations.

#### Budget, Planning and Business Affairs

The Budget, Planning and Business Affairs Department coordinates the various entities within the OSA in order to ensure that budgets, as well as business functions, are designed to support the OSA's main purpose, which is to conduct timely and meaningful audits of state-operated and funded programs.



## Human Resource Management

The Human Resource Management function has been developed to ensure that the OSA obtains the highest level of professional service from its employees. It is responsible for personnel recruitment, development, and training; the OSA's Affirmative Action Program; and associated college and community relations. In addition, it oversees the operation and continued development of the Auditor's Institute. Over the past six months the department has implemented a structured orientation program for all new employees, expanded its recruitment program at various colleges and universities, developed both individual education plans and a performance appraisal system for all members of the staff, and directed a successful summer internship program.

## Communications

The Communications Department functions as the informational arm of the OSA. It maximizes the OSA's accountability through the dissemination of information to the public, governmental offices, and the media about audit results, Division of Local Mandates' determinations and cost analyses, and such general activities of the OSA as the Auditor's Institute and relevant pending legislation.

## General Counsel

The Office of the General Counsel monitors the OSA's internal activities for compliance with the laws of the Commonwealth and the United States, and supports the audit

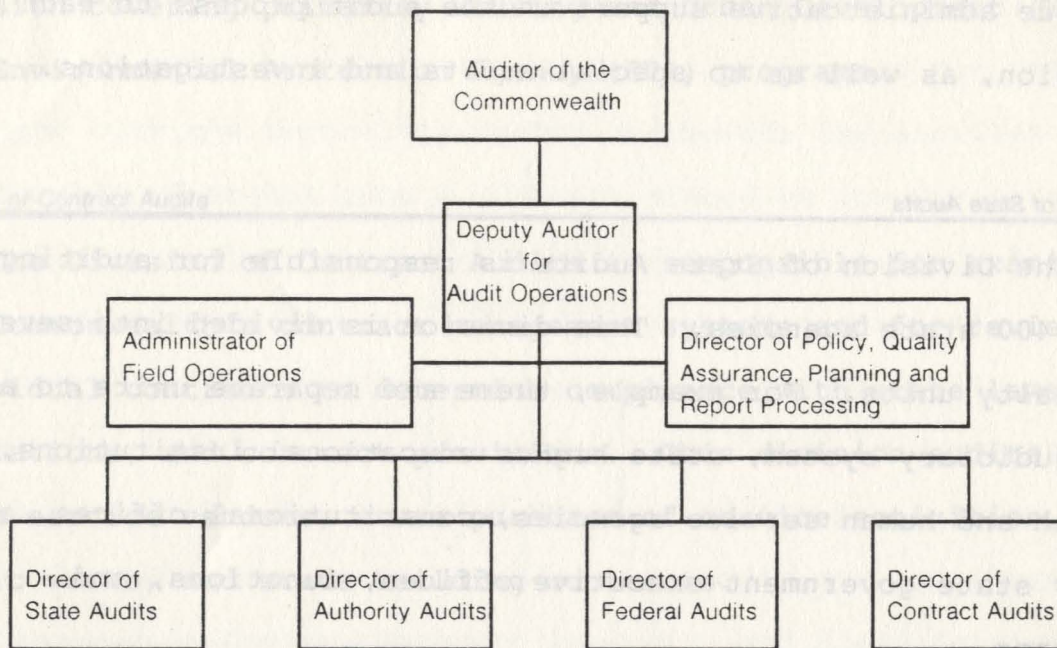


function by updating the OSA regarding statutory changes affecting the mandates of state departments and agencies. Internal OSA functions include reviewing of proposed regulations and contracts for conformity with judicial decisions, and drafting contracts, leases, affidavits, and legal memoranda. Support for the audit staff includes reviewing current law amendments impacting the activities of auditees and assisting audit teams in the interpretation of enabling statutes relevant to ongoing audits.

#### Intergovernmental Relations

The major function of the Office of Intergovernmental Relations is to develop, track, and support a substantive, thematically coherent legislative package which strengthens the OSA, increases the efficiency and effectiveness of audit operations, and addresses significant audit results. Intergovernmental Relations is also developing both legislative and administrative strategies for increasing the Auditor's role in the state budgetary process and in the overall financial management of state government operations.





#### AUDIT OPERATIONS

Audit Operations has been restructured to conform with the OSA's enabling legislation. A director, reporting to the Deputy Auditor for Audit Operations, has been appointed to manage each of the following four audit divisions: Division of State Audits, Division of Authority Audits, Division of Federal Audits, and Division of Contract Audits. This structure, with directors and audit managers specializing in specific areas reflecting the activities of state government, and certain quasi-public authorities and agencies, will benefit both the OSA and the auditees' operations.

In addition, the Division of Audit Policy, Planning, Quality Assurance, and Report Processing and the various Administrators of Field Operations also report to the Deputy Auditor and



provide administrative support in the audit process to each division, as well as to special audits and investigations.

#### Division of State Audits

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The Division of State Audits is responsible for auditing over 400 state agencies. This division is divided into several specialty units. For example, there are separate units to audit the judiciary system, state higher educational institutions, health and human service agencies, constitutional offices, and other state government executive offices, functions, and programs.

#### Division of Authority Audits

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The Division of Authority Audits is responsible for auditing over 300 entities. These include local housing and redevelopment authorities as well as the Executive Office of Communities and Development. This division also audits the regional transit authorities and the other independent agencies such as the Massachusetts Water Resources Authority, Massport, Massachusetts Bay Transportation Authority (MBTA), and the Massachusetts Convention Center Authority.

#### Division of Federal Audits

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The Division of Federal Audits contracts with state agencies, local housing authorities or federal agencies to conduct required audits of various federally aided programs. There are approximately 200 audits that may be performed by the



division covering primarily Housing and Urban Development (HUD) and Environmental Protection Agency (EPA) programs.

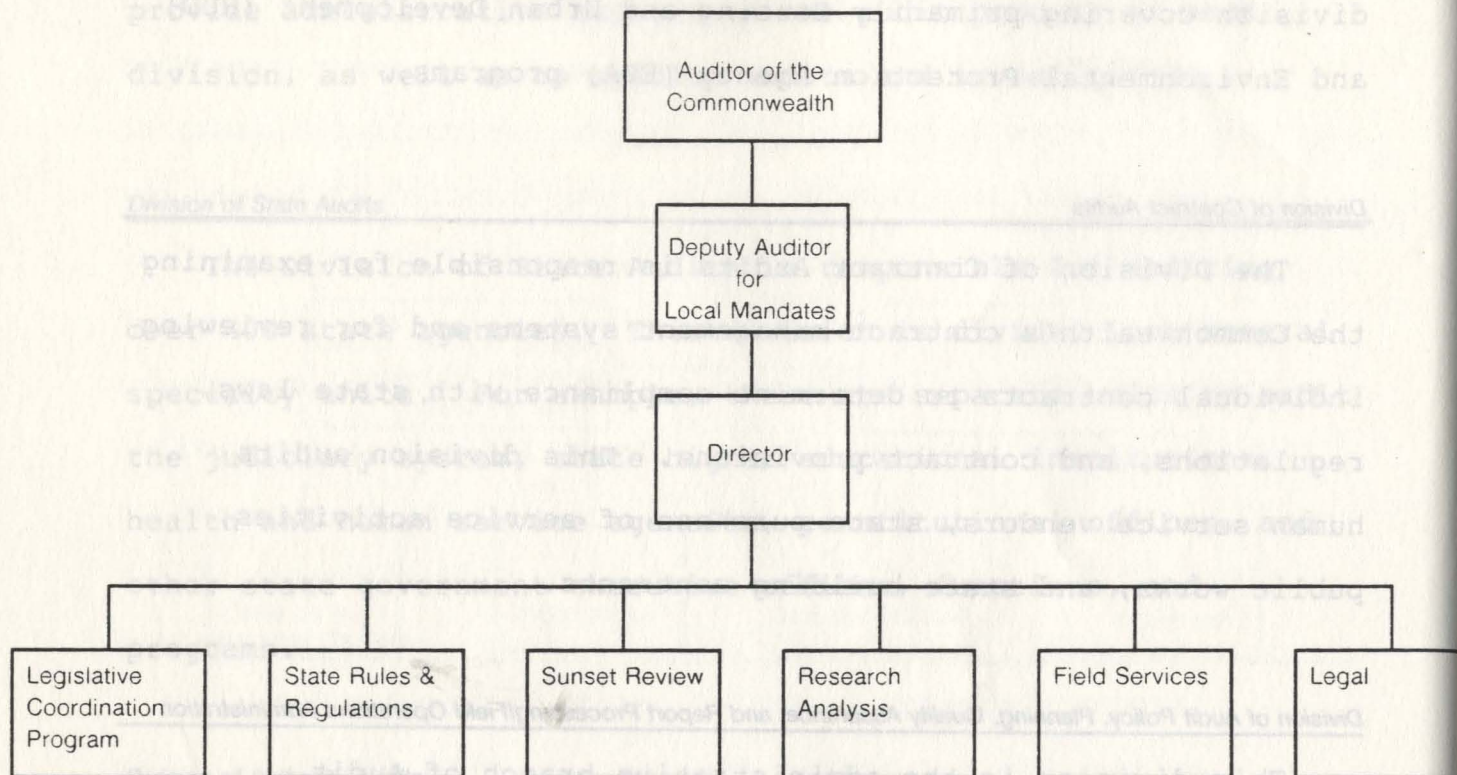
#### Division of Contract Audits

The Division of Contract Audits is responsible for examining the Commonwealth's contract management systems and for reviewing individual contracts to determine compliance with state laws, regulations, and contract provisions. This division audits human service vendors, state purchase of service activities, public works, and state building contracts.

#### Division of Audit Policy, Planning, Quality Assurance, and Report Processing/Field Operations Administration

This division is the administrative branch of Audit Operations. Its responsibilities include preparing the annual work plan, tracking the plan's progress, promulgating audit policies and procedures, performing internal quality assurance reviews, and editing and overseeing the processing and publication of all audit reports. The Director and the Administrator of Field Operations propose to the Audit Director the staffing of audits so that the OSA can centrally manage and provide the resources necessary to carry out its many and varied audit responsibilities. In addition, the Administrator of Field Operations manages special investigations or audits conducted both independently or at the request of law enforcement authorities.





#### DIVISION OF LOCAL MANDATES

The Division of Local Mandates (DLM) was created by Proposition 2 1/2 to ensure that no cost obligations are passed onto cities and towns by the Commonwealth through new state-mandated programs without state funding. The division's primary function is to conduct impartial reviews of any law or regulation passed after January 1, 1981 and also of pending legislation. (For a listing of DLM determinations and cost studies for the period January 21, 1987 to July 21, 1987 see Appendix II on page 51. As shown on the listing, the determinations and cost studies could result in additional funding, totalling over \$5.6 million, to the communities within the Commonwealth.)



Since January, 1987, DLM has been restructured; it has refocused existing programs, added new programs, and has been equipped with the technology needed to provide the services that the demands of Proposition 2 1/2 have placed on the division.

A Deputy Auditor has been appointed to develop new policies and coordinate the division's operations with the overall administrative and executive operations of the OSA, while a director manages the day-to-day activities. New programs such as the Legislative Coordination Program and the State Rules and Regulations Program have been added. In addition, the already existing Sunset Review, Research Analysis, and Field Services Programs have been refocused. Finally, DLM has strengthened its in-house support services of Professional Planning and Development, Communications, and Legal Services.

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#### Legislative Coordination Program

The newly created Legislative Coordination Program has been established to review the thousands of bills introduced in each session of the General Court that may have a financial impact on cities and towns. The progress of these bills is monitored and preliminary cost estimation studies are conducted. With the aid of technology, in the form of a specially created computer program, over 6,000 bills have been tracked and reviewed.

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#### State Rules and Regulations Program

The State Rules and Regulations Program was created in response to the large number of new state mandates in the form of state agency regulations. This new program interacts with



administrative agencies and monitors these mandated regulations. State Rules and Regulations, like the Legislative Review Program, provides not only information but also technical support to the Executive Branch. This ensures that any Administration goal is consistent with the spirit of Proposition 2 1/2.

#### Sunset Review Program

Chapter 126 of the Acts of 1984 requires DLM to "review every five years those laws and administrative regulations which have a financial impact upon cities and towns." The division submits a report to each session of the General Court together with its recommendations, if any, for the continuation, modification, or elimination of any such law or regulation.

#### Research Analysis Program

The Research Analysis Program determines the estimated and actual financial effects on municipalities of any laws, regulations, and rules passed after January 1, 1981. With the addition of much-needed analysts and state-of-the art equipment, DLM has been able to provide cost estimates in a more timely and accurate manner. Between January 21, 1987 and July 21, 1987, communities petitioned DLM 78 times to provide this vitally needed service to aid them in coping with Proposition 2 1/2.

#### Field Services Program

The Field Services Program provides information and assistance through field representatives to all cities and towns



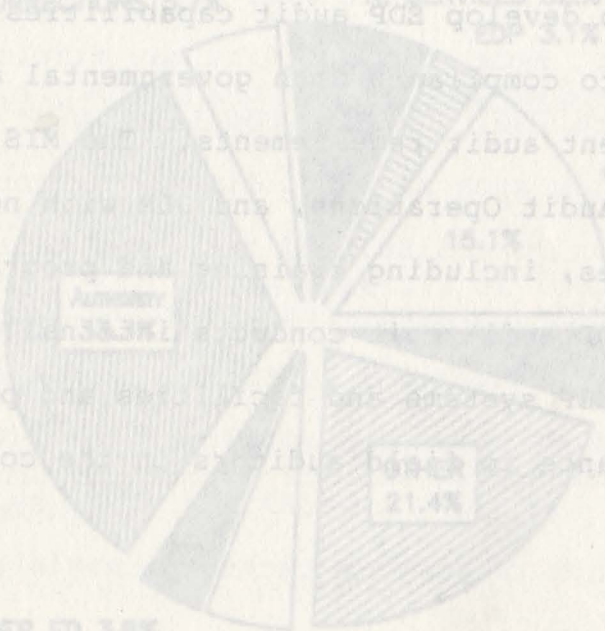
# OVERVIEW OF AUDIT REPORTS ISSUED

throughout the Commonwealth. Field representatives meet with municipal officials, deliver the division's services, and act as liaisons between state and local government. They make it possible for the division to conduct timely financial impact studies, exchange information, and assist municipalities.

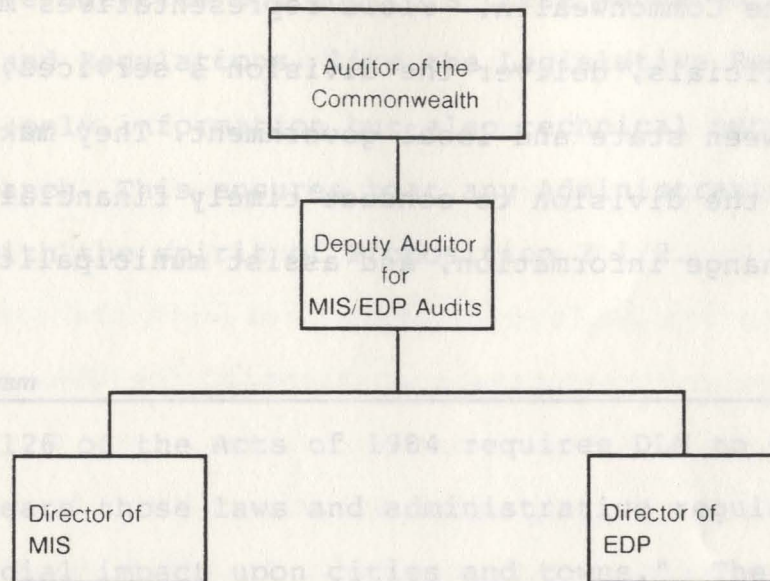
During the period from January 1, 1987, to December 31, 1987, the division issued 1,100 audit reports. The reports were issued in the following categories:

- Financial Impact Studies (FIS) - 15.1%
- Financial Control (FC) - 15.1%
- Administrative, Audit Operations, and Other Necessary (AOO) - 15.1%
- Computer Resources, Including Systems and Programming (CRS) - 15.1%
- Services (S) - 15.1%
- Higher Education (HE) - 3.8%
- Contingency/Vendor (CV) - 5.2%

The Auditor has established the Office of Deputy Auditor for Management Information Systems (OASIS) to manage the OSA's data processing functions, and to develop EDP audit capabilities necessary to bring the OSA into compliance with governmental audit standards and to meet current audit requirements. The OASIS unit provides Administration, Audit Operations, and Other Necessary (AOO) computer resources, including systems and programming services. The OASIS unit also provides examinations of the systems and provides technical assistance to the conduct of audits.







#### MANAGEMENT INFORMATION SYSTEMS/ELECTRONIC DATA PROCESSING

##### MIS/EDP

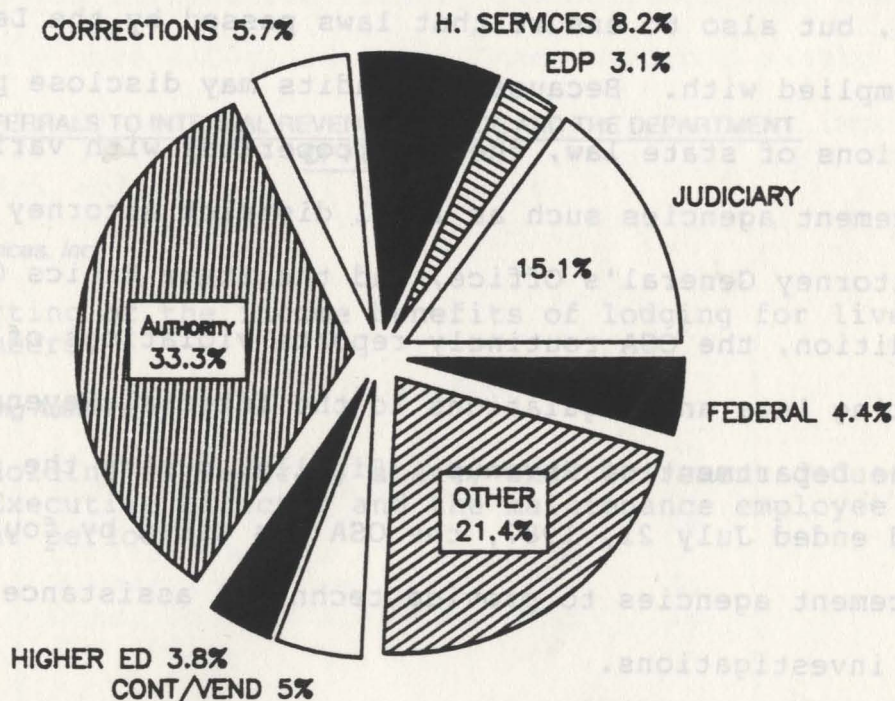
The Auditor has established the Office of Deputy Auditor for Management Information Systems/Electronic Data Processing (MIS/EDP) Auditing to manage the OSA's data processing functions, and to develop EDP audit capabilities necessary to bring the OSA into compliance with governmental audit standards and to meet current audit requirements. The MIS unit provides Administration, Audit Operations, and DLM with necessary computer resources, including training and programming services. The EDP audit unit conducts internal control examinations of EDP systems and facilities and provides technical assistance to field auditors in the conduct of audits.



## OVERVIEW OF AUDIT REPORTS ISSUED

During the six-month period ended July 21, 1987, the OSA issued 159 audit reports covering: authorities, human service agencies, judicial entities, contract/vendors, higher education institutions, and various other state agencies. Thirteen reports on federally-funded programs were also issued during this period. (For a complete listing of the 159 reports, see Appendix I on page 46.) In these reports, the OSA not only disclosed financial and operational deficiencies, but also provided recommendations intended to safeguard the Commonwealth's assets and to improve the effectiveness and efficiency of governmental operations.

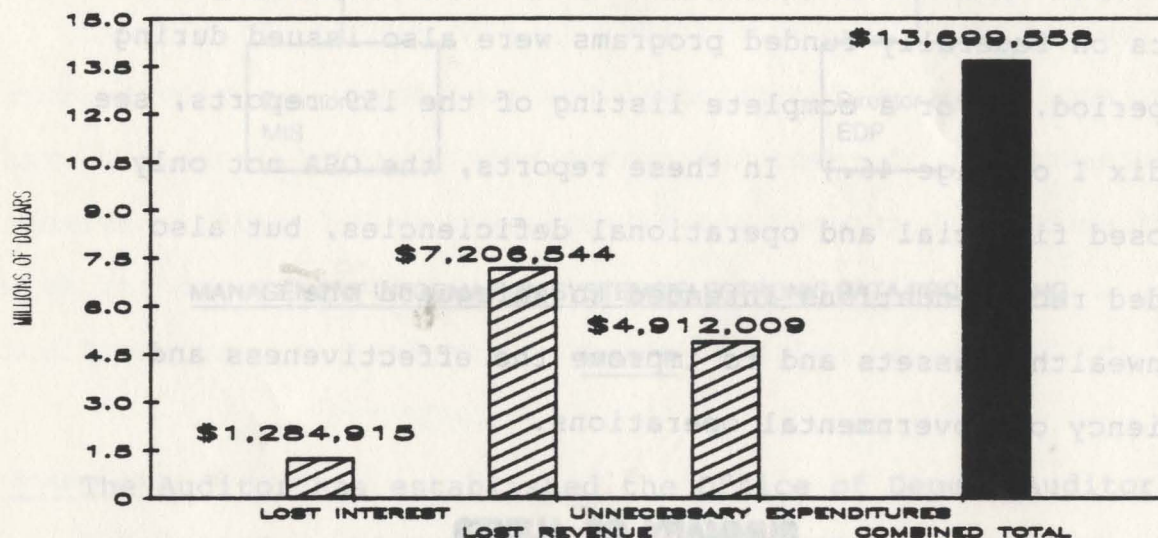
### SUMMARY OF AUDITS JANUARY 21, 1987 THROUGH JULY 21, 1987





As shown in the bar graph below, OSA audits disclosed several areas where the Commonwealth unnecessarily expended or lost substantial amounts of money, totalling approximately \$13.7 million. Some of these monies may be recovered if appropriate corrective actions are taken, and such losses can be avoided in the future if OSA recommendations are followed.

**SUMMARY OF  
LOST INTEREST, LOST REVENUE, & UNNECESSARY EXPENDITURES  
JANUARY 21, 1987 THROUGH JULY 21, 1987**



OSA audits not only attempt to safeguard the Commonwealth's assets, but also to ensure that laws passed by the Legislature are complied with. Because its audits may disclose possible violations of state law, the OSA cooperates with various law enforcement agencies such as local district attorney offices, the Attorney General's Office, and the State Ethics Commission. In addition, the OSA routinely reports violations of the income reporting laws and regulations to the Internal Revenue Service and the Department of Revenue. Finally, during the six-month period ended July 21, 1987, the OSA was asked by four law enforcement agencies to provide technical assistance during their investigations.



## SUMMARY OF AUDIT FINDINGS OUTSIDE REFERRALS

### REFERRALS TO STATE ETHICS COMMISSION

#### *1. Attleboro Housing Authority*

Possible violation of housing authority regulations and the General Laws relative to supervision of family members as employees.

#### *2. Spencer Housing Authority*

Three potential conflicts of interest in the hiring of employees, the renting of apartments to relatives, and the supervision of family members, in contravention of EOCD regulations.

### REFERRALS TO THE ATTORNEY GENERAL'S OFFICE

#### *1. Community Residences, Inc.*

Possible violations relative to related-party sale of three pieces of real property.

### REFERRALS TO INTERNAL REVENUE SERVICE AND THE DEPARTMENT OF REVENUE

#### *1. Community Residences, Inc.*

Non-reporting of the income benefits of lodging for live-in staff members.

#### *2. Mattapoisett Housing Authority*

Non-withholding of federal, state, and retirement deductions for the Executive Director and the maintenance employee over a two-year period.

Higher Education Audits	31
Other Audited State Agencies	38
EDP Audits	41



### 3. *Spencer Housing Authority*

Non-issuance of Form 1099-Misc. to its Executive Director, a regular employee, for wages paid from its state-aided Rental Assistance Program, 707-1.

#### 4. Hadley Housing Authority

Non-issuance of W-2 forms for wages paid to two of its former Executive Directors.



## SUMMARY OF AUDIT RESULTS AND RECOMMENDATIONS

Each type of agency audited by the OSA is governed by particular laws and regulations; is required to maintain financial records properly; and, of course, is expected to operate economically and effectively. OSA audits are not intended to sensationalize, but to present an accurate appraisal of financial management, legal compliance, and where appropriate, program effectiveness.

Audit results and recommendations are important to auditees, and in a majority of instances auditees have indicated a willingness to take appropriate corrective action. Audit results, when viewed in the aggregate, give focus to problem areas for legislators and other officials, and, along with significant individual audit results, are also the basis of OSA administrative and legislative initiatives and recommendations.

The following information clearly demonstrates that OSA audits not only have safeguarded the Commonwealth's assets but have also assisted auditees in creating solutions that improve their financial and managerial operations.

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## AUTHORITY AUDITS

During the six-month period ended July 21, 1987, the OSA issued 52 individual audit reports on various housing, redevelopment, and regional transit authorities.

<u>Type of Authority</u>	<u>Number of Audits</u>
Housing	49*
Redevelopment	2
Regional Transit	<u>1</u>
	52

\*Six of the housing authority audits were performed to meet the requirements of the federal Single Audit Act of 1984.

In addition to these 52 audit reports, the OSA released a report on the Executive Office of Communities and Development (EOCD) which included a review of 76 housing authorities.

OSA audits of various authorities revealed seven areas that, if improved, could save the authorities and, therefore, the state and federal governments, money, while also assisting public-housing tenants and applicants.

### Inadequate Accounting and Administrative Controls

OSA reports on local housing authorities disclosed various accounting, record-keeping, inventory, and



payroll control practices that could adversely affect their operations and distort financial reports filed with EOCD. During the six-month period covered by this report, twenty authorities were advised to improve their financial management controls.

Examples include:

- Fall River Housing Authority inappropriately charged unauthorized expenditures totalling \$33,379 to the operating reserve account.
- Dalton Housing Authority retained excess construction funds totalling \$151,420 because it did not close out a completed project.
- Wrentham Housing Authority, contrary to EOCD guidelines, commingled development funds totalling \$275,000.
- Attleboro Housing Authority paid \$576,285 over a three-year period in payroll expenditures which could not be adequately supported. Also, \$600,000 in operating subsidy payments were possibly lost over the three-year period because of faulty record-keeping procedures.

#### Inadequate Tenant Selection and Rent Calculation Procedures

OSA audits disclosed that thirteen housing authorities did not accurately calculate tenant rents or make tenant selections from legally mandated waiting lists. These errors could result in eligible tenants being deprived of housing or in revenue being lost. This lost revenue to the authorities can potentially lead to unnecessary additional state subsidies.

Examples include:

- 55% of the tenant files examined at the Hadley Housing Authority contained erroneous rent redeterminations.



- Brookline Housing Authority's weak rent-determination procedures resulted in the loss of \$16,000 in rental income.
- Wrentham Housing Authority Board members, in at least two instances, offered vacant units to applicants whose names did not appear on the waiting list.

#### Uncollected Rents

Failure to collect delinquent rental income was a major problem in several of the audited authorities, resulting in a loss of revenue.

Examples include:

- Gardner Housing Authority was owed a total of \$11,193 in delinquent rental income. In addition, approximately \$4,200 in rental income was lost due to delays in preparing and filling vacant apartments.
- Gloucester Housing Authority was owed a total of \$6,463 in delinquent rent from tenants who had since vacated.

#### Loss of Interest Income

Five housing authorities did not prudently invest funds on hand, resulting in a loss of interest income totalling \$35,269.

#### Improper or Unnecessary Expenditures

Ten housing authorities expended funds, totalling approximately \$68,500, improperly and/or unnecessarily.

Examples include:

- Spencer Housing Authority made excessive salary payments totalling \$27,485 to its Executive Director.



- Attleboro Housing Authority made improper compensatory time payments, vacation payments, and termination payments totalling \$7,720.
- Hadley Housing Authority had excessive maintenance expenditures of \$3,000 and questionable payroll expenditures totalling \$1,800.
- Travel expense deficiencies at the Greenfield, Attleboro, and Georgetown authorities totalled over \$8,000.

#### Potential Conflicts of Interest

Two audit reports disclosed areas of noncompliance with EOCD regulations and/or Massachusetts General Laws. Both the Attleboro and Spencer Housing Authority audits disclosed potential conflicts of interest, which were referred to the State Ethics Commission.

#### Noncompliance with Federal and State Tax Regulations

Several housing authorities did not comply with Internal Revenue Service and Department of Revenue guidelines pertaining to tax withholdings, resulting in a total of \$61,662 that was not reported on 1099 forms as required. In addition, two authorities did not withhold state and federal taxes on \$59,349 that was paid to their employees.

Regulations (CMR), effective June 30, 1983; therefore, the Commonwealth lost a total of \$33,832 in revenue.

- Cushing Hospital did not charge the Adult Day Care Center, Inc., a non-profit corporation, for an estimated 7,500 meals, resulting in a loss of revenue of approximately \$3,375.



AUTHORITY AUDITS  
RECOMMENDATIONS AND INITIATIVES

Authority audits comprise nearly 33% of the audits conducted by the OSA during this six-month period. The large number of recurring common weaknesses in the management of local housing authorities is being addressed through the following initiatives:

- The OSA recently completed an in-house study of all housing authority audits released over a six-month period, that grouped audit findings to pinpoint common areas of weakness.
- The OSA plans to implement a computerized audit tracking program to allow the OSA to continually monitor audit results by entity and type of finding. This program will aid in proposing statewide recommendations, legislation, and subsequent audit plans and objectives.
- The OSA is conducting a special scope audit of the Massachusetts Water Resources Authority (MWRA), the agency created in 1984 to oversee major water and sewer issues for the Commonwealth.
- An act authorizing housing authorities to be audited annually or biennially has been signed into law as Chapter 413 of the Acts of 1987. This law will allow the OSA to conduct biennial, rather than annual audits, of those housing authorities that are operating efficiently. This flexibility, which conforms to the Auditor's overall mandate as set out in Chapter 11 MGLA, will decrease unnecessary audit repetition as intended by the Federal Single Audit Act, and will free OSA resources for full performance audits of selected entities.

Improper or Unnecessary Expenditures

Ten housing authorities expended funds, totalling approximately \$68,500, improperly and/or unnecessarily.

Examples include:

- Spencer Housing Authority made excessive salary payments totalling \$27,485 to its Executive Director.



## HUMAN SERVICES AUDITS

During this six-month period, the OSA released 22 reports on agencies within the Executive Office of Human Services (EOHS). Included among these reports were eight audits of correctional agencies, an audit of the Department of Corrections (DOC), and audits of thirteen other EOHS agencies. Thirteen of the 22 reports disclosed accounting, administrative, and noncompliance issues that required management attention; two entities, the Chelsea Soldiers' Home and Cushing Hospital, are prime examples.

### Inadequate Accounting and Administrative Controls

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OSA audits revealed a number of accounting, record-keeping, inventory and payroll deficiencies. Several agencies also did not properly maintain inventories of property and equipment.

#### Examples include:

- The Chelsea Soldiers' Home had not been billing insurers for all reimbursable care services provided to eligible patients and residents. The resulting revenue losses totalled over \$5,400,000 from 1980 to 1985.
- Cushing Hospital did not implement rate increases levied on meals and rents by the Code of Massachusetts Regulations (CMR), effective June 30, 1983; therefore, the Commonwealth lost a total of \$33,832 in revenue.
- Cushing Hospital did not charge the Adult Day Care Center, Inc., a non-profit corporation, for an estimated 2,500 meals, resulting in a loss of revenue of approximately \$3,375.



- The Chelsea Soldiers' Home paid medical consultants \$123,655 during the 18-month period ended June 30, 1985 without sufficient verification that services had been performed.
- DOC did not have adequate documentation to support expendable trust fund disbursements totalling \$530,006 and bond fund disbursements totalling \$36,995.
- At MCI-Bridgewater, interest income was not earned on Canteen and Gift Shop funds totalling \$6,366 because the correctional institution did not maintain these funds in interest-bearing accounts.
- The Division of Disability Determination Services of the Massachusetts Rehabilitation Commission did not permanently tag office equipment or maintain current inventory records.
- Two correctional facilities, MCI-Plymouth and MCI-Cedar Junction, had inventory writedowns of food items totalling \$47,357. Without adequate inventory controls, the correctional institutions could not be assured that food items were safeguarded against loss or pilferage.

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***Noncompliance with State Laws, Regulations, and Written Agreements***

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OSA audits found several instances where agencies were not in compliance with state laws, regulations, and written agreements.

Examples include:

- The Chelsea Soldiers' Home expended \$124,191 in interest income derived from patient accounts. This money was spent on a variety of activities that did not directly benefit the patients, contrary to a written agreement between the Home and its patients.
- Cushing Hospital circumvented the Commonwealth's purchasing system by splitting purchase orders for goods and services totalling over \$40,000.
- The Cape and Islands Mental Health and Retardation Center did not adhere to the Commonwealth's competitive bidding laws by engaging a food service vendor without the benefit of competitive bidding.



- Several of Cushing Hospital's accounting procedures were contrary to the State Comptroller's prescribed accounting procedures.

#### **HUMAN SERVICES AUDITS RECOMMENDATIONS AND INITIATIVES**

The OSA has worked closely with the Internal Audit Unit within the Executive Office of Human Service (EOHS) and commends this unit for its prompt attention to OSA audit results and recommendations. The OSA is also pleased with the responses of the Chelsea Soldiers' Home to its findings and recommendations and will follow-up on the responses in the future.

The following OSA initiatives have been planned in response to audit results:

- The OSA will conduct a comprehensive statewide review of non-tax billing and collection procedures to maximize revenues to finance state operations and to minimize the need to increase taxes or fees. The OSA will also review the timeliness and frequency of billing, the collection and deposit of non-tax revenues, and the agencies' billing systems.
- The OSA will review the practices and procedures for controlling client/patient funds in place at several state institutions.
- A major initiative of the OSA's 1988 legislative package is a bill requiring each state agency to establish a formal internal control system; the standards that this system must meet are defined by the bill. This comprehensive proposal will help to improve fiscal management by requiring the kind of documentation of an agency's internal control system that will enable EOHS, OSA, and other appropriate oversight agencies to more effectively monitor the system and make recommendations for its improvement.



## JUDICIARY AUDITS

Twenty-four court audit reports were released during the six-month period ended July 21, 1987. Among the major common findings that were revealed by these audits are the following:

### Inadequate Accounting and Administrative Controls

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Eleven of the twenty-four reports made recommendations to improve internal controls. The most common weakness was that the courts did not maintain records in accordance with the State Comptroller's or the regulatory oversight agencies' accounting manuals.

Examples include:

- The Orleans District Court did not record in its cashbook \$19,772 of civil escrow funds.
- The Hingham District Court did not forward \$9,375 in forfeited bail funds to the State Treasurer.
- The Orleans and Quincy District Courts did not properly maintain attendance calendars.
- Northampton District Court did not process all unpaid civil motor vehicle infractions (CMVIs), thus depriving the Commonwealth and several municipalities of the timely use of \$110,150 in revenues, and allowing drivers, who should possibly have had their licenses revoked, to continue to drive.
- The Plymouth County Probate Court did not record \$39,368 in interest on custodial passbooks in its possession. The court also improperly held abandoned property over twenty years old totalling \$62,347 that the court should have remitted to the State Treasurer's Office after notifying the Attorney General's Office.



OSA Judiciary audits revealed that in several instances inventory listings of property and equipment were either not maintained or not up-to-date. Several of the courts audited during this period fell into this category. Common problems included equipment not tagged, items not included on inventory listings, and annual physical inventory counts not performed.

For example:

The Office of the Administrative Justice, District Court Department, did not maintain an up-to-date listing of property and equipment. Also, some items were not tagged with the Trial Court's inventory marking.

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#### JUDICIARY AUDITS RECOMMENDATIONS AND INITIATIVES

Audits of the judiciary system comprise 15% of the audits conducted by the OSA, during this six-month period. Since judicial employees handle large amounts of money on a daily basis, it is imperative that stringent internal control policies and procedures be developed in the courts and be closely followed and monitored. Listed below are 1988 legislative and audit initiatives for improving the fiscal management of court entities.

- As a result of several audits that found probate and family courts were not fully complying with laws and regulations governing custodial passbooks, the OSA conducted a statewide survey to determine the full







## CONTRACT AUDITS

The OSA has the authority to audit the thousands of service providers, or vendors, that contract with the Commonwealth. During this six-month period, eight contract vendor audit reports were issued, seven dealing specifically with vendors and the eighth dealing with the use of "03" consultants within three state agencies, the Departments of Mental Health (DMH), Public Welfare (DPW), and Social Services (DSS).

The seven vendor audits disclosed serious common problems including the following:

### Improprieties in Related Party Transactions

Improprieties in related party transactions were found in the following instances:

- Community Residences, Inc. (CRINC) entered into three transactions with a related party that cost the Commonwealth \$21,686 in unnecessary expenses.
- The Psychological Center, Inc. (TPC) expended \$25,000 in state funds to lease equipment from an affiliated agency, and did not retain title in the property.
- Health Care, Inc. (HCI) granted two no-interest loans totalling \$20,000 to a related, for-profit corporation in violation of HCI's Articles of Incorporation.



### Unsupported Client Billings

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An example of inadequately documented billings is illustrated below:

The Center for Humanistic Change (CHC) billed and received reimbursements totalling \$729,656 for services provided to 23 clients in its satellite residential program. Contrary to contract requirements, however, CHC did not maintain client attendance records to support its billings but, instead, billed the Commonwealth for the maximum number of attendance days authorized under the contract. As a result, it was not possible to verify if the Commonwealth was billed appropriately for the services CHC provided.

### Unnecessary Consultant Expenditures

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The OSA's report on the use of "03" consultants consisted of a review of \$97 million of the \$135 million in consultant contracts awarded or amended at DMH, DPW, and DSS. This audit disclosed the following specific practices that we believe are inconsistent with legislative intent and/or efficient and accountable hiring practices:

- A total of \$20 million of the \$97 million in "03" contracts reviewed at the three departments were for consultants hired to perform services similar to those currently provided by state employees.
- 401 of the consultants at the three departments were employed for periods ranging from thirteen months to ten years.
- 26 consultants to DPW either directly or indirectly supervised state employees, contrary to Chapter 29, Section 20, MGLA.
- DPW incurred administrative fees of \$716,351 and paid leave costs of between \$1.4 and \$2.2 million by using TAD Power Temporaries, Inc. as a fiscal intermediary.
- DMH and DSS used blanket contracts to employ 112 consultants as full-time employees despite the regulatory requirement that blanket contracts be used to purchase



only recurrent and intermittent services. For 72 of these consultants, DMH did not file contracts, resumes, financial disclosure statements, or other documents with the State Comptroller as required by Chapter 29, Section 29A, MGLA.

#### CONTRACT AUDITS RECOMMENDATIONS AND INITIATIVES

The OSA's fiscal 1988 audit plan contains a number of vendor audits, including a statewide review of the Commonwealth's homeless programs. In conducting these audits, the OSA will have the benefit of Chapter 62 of the Acts of 1987, which was recently signed into law by Governor Dukakis. This law, which was filed by the OSA, clarifies the authority of the OSA to audit vendors whose services with the state have been completed and broadens its authority to conduct performance audits of the state's vendors.

Other OSA initiatives in this area include:

- A review of the performance of state agencies in meeting contract goals for small, minority, and woman-owned businesses. The OSA review will determine the extent of agency compliance with Executive Order 237 which directs state agencies to award at least 10% of the total value of construction contracts and 5% of contracts for supplies, equipment, and services for minority business enterprises.
- A program results audit focusing on the Department of Mental Health's inspection and licensing of community-based facilities for the mentally handicapped. The scope of the audit will include a review of the performance of DMH's licensing division and inspections of the facilities being used to house the mentally handicapped.



- The OSA has called for a joint legislative and executive effort to revise and update the antiquated Expenditure Code Manual and for new Administration and Finance regulations to provide guidance on the use of "03" consultants.
- The OSA has carefully reviewed legislation relative to "03" consultants currently before the Committee on Public Service and is pleased to note that many of the OSA's recommendations have been incorporated into the bill. The OSA believes that legislation is needed to codify legislative and executive intent that consultants are to be hired to provide specialized services for a limited, specified period of time, and the Auditor has written to the Chairman of the Public Service Committee to publicly record his support for it.

In conducting these audits, the OSA will

have the benefit of Chapter 62 of the Acts of 1987, which was recently signed into law by Governor Dukakis. This law, which was filed by the OSA, clarifies the authority of the OSA to audit vendors whose services with the state have been completed and provides the authority to conduct performance audits of the state's vendors.

Other OSA initiatives in this area include:

- A review of the performance of state-owned enterprises, meeting contract goals for small, minority, and women-owned businesses. The OSA will review which extent of agency compliance with Executive Order 12813, which directs state agencies to award at least 10% of the total value of construction contracts and 5% of contracts for supplies, equipment, and services for minority-owned enterprises.
- A program results audit focusing on the Department of Mental Health's inspection and licensing program. The scope of the audit will include a review of the performance of DMH's licensing division and inspections of the facilities being licensed to ensure compliance with state standards.



## HIGHER EDUCATION AUDITS

The OSA conducted six audits of state higher education institutions during this six-month period. Three of these six audits, including the Roxbury Community College audit, contained recommendations. Results that appeared in these reports include:

### Inadequate Accounting and Administrative Internal Controls

Critical findings in this area included various accounting, record-keeping, and payroll deficiencies and practices.

Examples include:

- Roxbury Community College (RCC) did not maintain adequate accounting records of its Division of Continuing Education's (DCE) operations. The OSA was therefore unable to determine the validity of program receipts, disbursements, and balances.
- Massachusetts Maritime Academy did not establish complete accounting records for trust funds and accounts totalling \$3,282,374 as of June 30, 1986, thus weakening controls over these funds.

### Loss of Interest Income

- The University of Lowell Building Authority lost \$43,280 in potential interest income because of the low interest rate on savings accounts and because of the untimely transfer of rent receipts from the University to the authority.

### Noncompliance with State and Federal Laws and Regulations

Two instances of noncompliance with applicable laws and regulations were uncovered by our audits:



- Roxbury Community College expended \$78,525 for certain supplies without seeking the benefit of competitive bids, in noncompliance with the Commonwealth's purchasing system.
- The University of Lowell Building Authority did not file IRS 1099 tax forms for thirteen undergraduate resident advisors, whose income totalled \$26,000.

#### Non-Collection of Money Owed

Two significant findings disclosed in the Roxbury Community College audit dealt with the school's inability to collect money owed to the school or to the Commonwealth.

They were:

- The college did not actively pursue outstanding receivable balances for student tuitions and fees, resulting in an indeterminable loss of revenue to the Commonwealth.
- The college has been unable to collect amounts owed from students who received National Direct Student Loans (NDSL). Of the \$234,258 in outstanding loans, \$223,770 has been classified as in default. As a result, students are currently unable to receive loans under this program.







## OTHER AUDITED STATE AGENCIES

The remaining thirty-nine audits conducted during this six-month period consisted of various, unrelated entities. Of these, five were electronic data processing, or EDP audits, details of which can be found in the EDP Audit Section on page 41.

Nineteen of the remaining thirty-four audits reviewed for this section contained critical audit results. These results, grouped according to common characteristics, include:

### Weak Accounting and Administrative Internal Controls

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A majority of the entities had deficiencies in some aspect of their internal control policies and procedures.

Examples include:

- Several agencies did not either maintain or keep an up-to-date inventory listing of their property and equipment.
- Several agencies did not maintain adequate payroll records. In addition, the Criminal History Systems Board, over a two-year period, overstated its payroll expenses by a total of \$61,835, thereby distorting its financial position.

### Inadequate Monitoring of "03" Consultant Contracts

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In addition to the OSA's findings relative to "03" hiring at DMH, DPW and DSS, one other agency did not effectively monitor its "03" contract.



- OMIS compensation rate procedures for consultant services included compensation for holidays, vacation days, sick days, and personal days, contrary to Administrative Bulletin 82-1.

#### Inadequate Control of State Grants

The Massachusetts Council on the Arts and Humanities (MCAH) authorizes state grants to applicable entities in this field and is responsible for overseeing the activities of the grantees relative to these funds. Our audit of MCAH disclosed that:

- MCAH funded 909 grants totalling \$4.5 million without conducting any audits to ensure the proper expenditure of state funds, although MCAH's grants each contained an audit provision.
- MCAH did not monitor grantees to determine whether they were complying with grant provisions. Our audit revealed three instances, undetected by MCAH, of grantee noncompliance with the terms of the grant.

#### Unnecessary Expenditures and Purchases

OSA audits revealed a number of critical findings relative to the unnecessary expenditure of Commonwealth funds.

Examples include:

- The Massachusetts Civil Defense Agency (MCDA) made payments of \$31,323 to the Civil Air Patrol Wing for support-mission flights which duplicated other payments or were not pertinent to MCDA-authorized activities.
- The Bureau of State Office Buildings purchased six time clocks valued at \$16,200 during FY 1985. These clocks were still in boxes at the time of audit, with no decision having been made as to whether they would be used or whether an attempt would be made to return them.



OTHER AUDITED STATE AGENCIES  
RECOMMENDATIONS AND INITIATIVES

Several of the OSA's 1988 initiatives involve the various state agencies which fall outside of the auditee groups discussed earlier. These initiatives include:

- A program results audit of the Architectural Barriers Board (ABB) to review this agency's activities to determine its success in improving handicapped accessibility in public buildings. The scope of the audit will include examining management and training plans, evaluating the procedures in place for resolving complaints, and determining agency compliance.
- A program results audit, currently in progress, focusing on the Department of Public Health's (DPH) Restaurant Inspection Program. DPH is mandated under Chapter 140 of the Massachusetts General Laws to promulgate and enforce uniform sanitary code regulations governing restaurant inspections. The primary responsibility for actually inspecting restaurants lies with the 351 cities and towns of the Commonwealth. The scope of the audit is twofold, to review DPH's policies regarding enforcement and monitoring and to review the effectiveness of local boards of health in inspecting restaurants.



## ELECTRONIC DATA PROCESSING (EDP) AUDITS

Although the scope of review varied, depending on the particular EDP audit, certain similarities in results were evident. These include:

### Weaknesses in the Area of Disaster Recovery

For example:

The Criminal History Systems Board (CHSB) did not have a disaster-recovery plan to ensure continuity of operations in the event of an emergency at CHSB's computer center.

### Weaknesses in System Access Controls

Examples include:

- The Brockton Criminal History Board (BCHB) lacked protection of its data base from unauthorized access.
- The Probationary Receipt Accounting (PRA) system of the Quincy District Court had incomplete control over user access to its data base and reports.

### Deficiencies in Use of Passwords

For example:

The Probationary Receipt Accounting (PRA) system of the Quincy District Court showed deficiencies in changing user passwords on a regular basis.



EDP AUDITS  
RECOMMENDATIONS AND INITIATIVES

The EDP Department is currently conducting a Data Processing (DP) survey of those state entities that are reviewed by the OSA. The survey form has been developed and distribution to state agencies has begun. Results will enable the OSA to better understand the dimensions of each auditee's data processing capabilities. They will also assist in developing an in-house data bank to be used as part of the planning and implementation of EDP audits and Data Facility reviews, as well as financial/compliance and expanded scope audits at state agencies.

Examples include:

- The Brockton Criminal History Board (BCHB) lacked protection of its data base from unauthorized access.
- The Probationary Receipt Accounting (PRA) system of the Quincy District Court had incomplete control over user access to its data base and reports.

The Massachusetts General Law to promote and enforce

Deficiency in Use of Passwords

For example:

- The Probationary Receipt Accounting (PRA) system of the Quincy District Court showed deficiencies in changing user passwords on a regular basis.

and to enforce the EDP policies regarding enforcement of

boards local to effectiveness of the review and to monitor

of health in inspecting restaurants.



## CONCLUSION

The goal of this first semi-annual report is to highlight significant OSA audit results and to introduce the OSA's fiscal 1988 audit and legislative initiatives. Throughout the report, the intention has been to demonstrate how audit results, especially when viewed in the aggregate, determine audit and legislative initiatives, and can be utilized by program managers to avoid unnecessary expenditures and enhance revenues.

In addition to the initiatives discussed within the report, the OSA's fiscal 1988 Audit Plan includes projects mandated under various general and special laws, as well as a number of other statewide audit projects.

Chapter 555 of the Acts of 1986 assigned to the Auditor a new responsibility: determining annually the amount of excess net state tax revenue, if any, to be returned to the Commonwealth's taxpayers. The OSA recently issued a Determination of Net State Tax Revenues over Allowable State Tax Revenues for fiscal year 1987. The determination required the assignment of several auditors to the Department of Revenue, the State Treasurer's Office, the Office of the State Comptroller, the Division of Insurance, the State Racing Commission, and the State Lottery Commission.

In conjunction with new responsibilities under the so-called Tax Cap, the OSA stationed auditors at seventy-one agencies from June 25 to July 6, 1987 to oversee the cut-off of cash associated with the Commonwealth's year-end closing of the



books. This effort, conducted jointly with the State Comptroller's Office in accordance with Chapter 488, the Fiscal Reform Act, focused primarily on the Commonwealth's major revenue-producing agencies and those with revenue retention accounts. As part of this effort, the OSA also examined the encumbrances and reservation of funds at all large state agencies.

The OSA is also currently examining the costs incurred by the Commonwealth in initially funding federally reimbursable programs. Specifically, the OSA is reviewing the period of time between the state's funding of projects and the receipt of federal reimbursements to determine the amount of potential interest lost by the Commonwealth.

A survey of all state internal audit groups will be conducted in fiscal year 1988. Information will be gathered regarding location, staffing, and operating costs and an evaluation made of the effectiveness of internal audit units.

Finally, the OSA will work with the State Comptroller's Office to identify the cost of all fixed assets of the Commonwealth. All state agencies are required to report their fixed assets to the Comptroller annually. OSA audits have consistently disclosed that many agencies do not conform to the Comptroller's regulations regarding fixed assets and require technical assistance in order to fully comply. In order to ensure that the Commonwealth's financial statements are presented accurately and fairly, the Commonwealth needs to control, account for, and report all of its fixed assets.



Accurately presented fixed assets on the financial statements can help improve the state's financial position and credit rating.

The initiatives highlighted in this report are only a portion of OSA projects that are planned for fiscal year 1988. Our full Audit Listing is available to the Legislature upon request, as are audit reports and information regarding particular or aggregate audit results.

It is hoped that the information provided herein will be helpful to individual legislators and committees, and especially to the Ways and Means Committees during budget deliberations. The OSA wishes to thank the Legislature for its support and looks forward to issuing a second semi-annual report in the winter of 1988.

78-01-1	Attorney General's Office	Attorney General's Office
78-01-2	Department of Labor and Industries	Department of Labor and Industries
78-01-3	Mass. State Police Agency	Mass. State Police Agency
78-01-4	Public Health Service	Public Health Service
78-01-5	State Police	State Police
78-01-6	State Police	State Police
78-01-7	State Police	State Police
78-01-8	State Police	State Police
78-01-9	State Police	State Police
78-02-1	State Police	State Police
78-02-2	State Police	State Police
78-02-3	State Police	State Police
78-02-4	State Police	State Police
78-02-5	State Police	State Police
78-02-6	State Police	State Police
78-02-7	State Police	State Police
78-02-8	State Police	State Police
78-02-9	State Police	State Police
78-03-1	State Police	State Police
78-03-2	State Police	State Police
78-03-3	State Police	State Police
78-03-4	State Police	State Police
78-03-5	State Police	State Police
78-03-6	State Police	State Police
78-03-7	State Police	State Police
78-03-8	State Police	State Police
78-03-9	State Police	State Police
78-04-1	State Police	State Police
78-04-2	State Police	State Police
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78-07-6	State Police	State Police
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78-07-9	State Police	State Police
78-08-1	State Police	State Police
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78-08-9	State Police	State Police
78-09-1	State Police	State Police
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78-09-3	State Police	State Police
78-09-4	State Police	State Police
78-09-5	State Police	State Police
78-09-6	State Police	State Police
78-09-7	State Police	State Police
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78-09-9	State Police	State Police
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78-12-2	State Police	State Police
78-12-3	State Police	State Police
78-12-4	State Police	State Police
78-12-5	State Police	State Police
78-12-6	State Police	State Police
78-12-7	State Police	State Police
78-12-8	State Police	State Police
78-12-9	State Police	State Police



HOUSING, REDEVELOPMENT, AND TRANSIT AUTHORITIES

<u>Audit</u>	<u>Audit Number</u>	<u>Issue Date</u>
1. Andover Housing Authority	87-598-6	6-08-87
2. Attleboro Housing Authority	86-603-1	5-26-87
3. Barre Housing Authority	87-607-6	6-05-87
4. Belmont Housing Authority	87-611-1	4-21-87
5. Beverly Housing Authority	87-612-1	5-27-87
6. Blackstone Housing Authority	87-615-6	6-29-87
7. Brookline Housing Authority	86-623-1	4-03-87
8. Cohasset Housing Authority	87-636-6	5-21-87
9. Dalton Housing Authority	87-638-6	2-25-87
10. Dartmouth Housing Authority	87-640-1	3-11-87
11. Dedham Housing Authority	87-691-1	2-02-87
12. East Bridgewater Housing Authority	87-645-1	4-22-87
13. Easthampton Housing Authority	87-646-1	6-30-87
14. Executive Office of Communities and Development	85-5010-5	2-05-87
15. Fall River Housing Authority	86-652-1	2-06-87
16. Fairhaven Housing Authority	87-651-1	7-21-87
17. Franklin Housing Authority	87-660-6	6-05-87
18. Gardner Housing Authority	87-662-6	3-13-87
19. Georgetown Housing Authority	87-664-1	6-30-87
20. Gloucester Housing Authority	86-665-1	4-03-87
21. Greenfield Housing Authority	86-669-1	3-11-87
22. Hadley Housing Authority	87-670-1	5-28-87
23. Holden Housing Authority	87-676-1	5-29-87
24. Hopedale Housing Authority	87-680-6	3-10-87
25. Hull Redevelopment Authority	87-681-1	6-30-87
26. Lancaster Housing Authority	87-687-6	6-05-87
27. Lawrence Redevelopment Authority	87-689-1	5-22-87
28. Lenox Housing Authority	87-692-6	2-25-87
29. Lowell Housing Authority	86-696-1	4-29-87
30. Malden Housing Authority	87-701-1	7-21-87
31. Mattapoisett Housing Authority	87-709-1	5-20-87
32. Nahant Housing Authority	87-728-1	7-30-87
33. Norfolk Housing Authority	87-841-1	3-31-87
34. Quincy Housing Authority	87-762-6	3-25-87
35. Rowley Housing Authority	87-768-1	3-11-87
36. Sharon Housing Authority	87-775-1	3-18-87
37. Somerset Housing Authority	87-777-1	3-26-87
38. Southeastern Regional Transit Authority	86-878-1	2-27-87
39. Southborough Housing Authority	87-875-1	6-16-87
40. Spencer Housing Authority	86-784-1	4-29-87
41. Sterling Housing Authority	87-787-1	6-26-87
42. Stockbridge Housing Authority	87-415-6	2-25-87
43. Stoneham Housing Authority	87-788-1	4-22-87
44. Stoughton Housing Authority	87-789-1	3-31-87



HOUSING, REDEVELOPMENT, AND TRANSIT AUTHORITIES

<u>Audit</u>	<u>Audit</u>	<u>Issue</u>
	<u>Number</u>	<u>Date</u>
45. Webster Housing Authority	87-807-1	5-28-87
46. Westboro Housing Authority	87-809-1	3-13-87
47. Wrentham Housing Authority	87-827-1	6-11-87

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FEDERAL AUTHORITY AUDITS

1. Greenfield Housing Authority	87-3151-8	5-15-87
2. Walpole Housing Authority	87-3153-8	5-29-87
3. Ware Housing Authority	87-802-8	6-18-87
4. Webster Housing Authority	86-3129-1	5-15-87
5. Wellesley Housing Authority	87-3156-8	5-15-87
6. Wellesley Housing Authority	87-3169-8	5-15-87

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OTHER FEDERAL AUDITS

7. Brockton CDBG	86-3146-1	4-29-87
8. Chelsea Soldiers' Home	86-3127-1	4-23-87
9. Department of Labor and Industries	86-3122-1	4-23-87
10. Mass. Civil Defense Agency	86-3126-1	5-06-87
11. Peabody EPA	86-3129-1	2-18-87
12. SMU Nursing Student Loan Program	85-3116-1	5-26-87
13. Webster EPA	86-3130-1	3-20-87

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JUDICIARY

1. Attleboro District Court	87-1194-1	2-17-87
2. Bristol County Juvenile Court	87-1249-1	6-30-87
3. Chicopee District Court	87-1167-1	6-30-87
4. Committee on Public Counsel Services	87-1104-6	6-19-87
5. Framingham District Court	87-1140-1	5-12-87
6. Franklin Probate Court	87-1228-1	4-14-87
7. Hampden Probate Court	87-1225-1	7-21-87
8. Hampshire Superior Court	87-1114-1	6-26-87
9. Hingham District Court	87-1199-1	5-21-87
10. Middlesex Probate Court	87-1222-6	2-27-87
11. Norfolk County District Attorney	87-1258-1	7-21-87
12. Northampton District Court	87-1171-1	6-10-87



JUDICIARY (Continued)

<u>Audit</u>	<u>Audit Number</u>	<u>Issue Date</u>
13. Office of Administrative Justice - District Court	87-1130-1	3-03-87
14. Orange District Court	87-1177-1	3-13-87
15. Orleans District Court	87-1190-1	4-24-87
16. Plymouth Probate and Family Court	87-1234-1	1-30-87
17. Quincy District Court	87-1161-1	6-10-87
18. Stoughton District Court	87-1163-1	6-30-87
19. Suffolk County District Attorney	87-1255-1	6-16-87
20. Taunton District Court	87-1191-1	4-14-87
21. Uxbridge District Court	87-1187-1	6-09-87
22. West Roxbury District Court	87-1138-1	4-14-87
23. Worcester Housing Court	87-1313-1	4-21-87
24. Wrentham District Court	87-1162-1	6-30-87

EDUCATION

1. Fitchburg State College	87-178-1	3-06-87
2. Mass. Bay Community College	87-196-1	4-20-87
3. Mass. Educational Loan Authority	87-1301-6	5-06-87
4. Mass. Maritime Academy	87-182-1	4-21-87
5. Roxbury Community College	86-204-1	4-30-87
6. University of Lowell Building Authority	86-207-1	2-20-87

HUMAN SERVICES

1. Boxer's Fund Board	86-15-6	4-23-87
2. Brockton Multi-Service Center	87-853-1	4-30-87
3. Cambridge-Somerville Mental Health Center	87-246-1	3-06-87
4. Cape and Islands Mental Health Center	87-992-1	5-26-87
5. Chelsea Soldiers' Home	86-65-1	5-11-87
6. Commission of Veterans' Services	87-18-2	4-08-87
7. Cushing Hospital	86-248-1	4-28-87
8. DMH-Region VI	87-242-1	4-03-87
9. Division of Disability Determination Services	86-55-5	6-19-87
10. Irving Glavin Regional Mental Health Center	87-863-1	2-02-87
11. Quincy Mental Health Center	87-265-1	6-30-87
12. Rutland Heights Hospital	87-303-1	3-18-87
13. Western Mass. Hospital	87-305-1	6-16-87



VENDOR/CONTRACT AUDITS

<u>Audit</u>	<u>Audit Number</u>	<u>Issue Date</u>
1. Center for Humanistic Change	86-1080-4	5-27-87
2. Community Residences, Inc.	86-1080-8	3-12-87
3. Health Care, Inc.	86-1080-14	2-27-87
4. Mass. Opportunity Council	86-1080-9	4-28-87
5. "03" Consultants at DMH/DPW/DSS	87-2006-3	7-08-87
6. Senior Home Care Services, Inc.	86-1080-15	6-29-87
7. The Psychological Center	86-1080-13	5-22-87
8. YRI/Pilgrim Center, Inc.	87-1080-2	6-29-87

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CORRECTIONAL INSTITUTES

1. Correctional Industries Program	87-1002-1	2-17-87
2. Department of Corrections	86-145-1	3-05-87
3. MCI-Bridgewater	87-146-1	5-21-87
4. MCI-Cedar Junction	87-152-1	6-30-87
5. MCI-Concord	87-147-6	5-11-87
6. MCI-Plymouth	87-151-1	5-12-87
7. Medfield Prison Project	87-1311-6	6-05-87
8. Parole Board	87-154-1	4-29-87
9. South Middlesex Pre-Release Center	87-947-1	2-06-87

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OTHER STATE AGENCIES

1. Alcohol Beverage Control Commission	86-11-1	4-28-87
2. Attorney General's Office	87-72-TR	5-29-87
3. Appellate Tax Board	87-143-5	5-13-87
4. Ballot Law Commission	87-77-1	2-27-87
5. Bureau of State Office Buildings	86-26-3	6-29-87
6. Commission on Interstate Cooperation	87-80-1	1-30-87
7. Council on Arts and Humanities	86-161-1	4-24-87
8. Criminal History Systems Board	86-857-1	4-24-87
9. Department of Public Utilities	87-307-6	5-12-87
10. Department of Revenue	86-142-1	2-04-87
11. Division of Banks and Loan Agencies	87-100-6	3-05-87
12. Division of Registration	86-105-1	3-31-87
13. Energy Facilities Siting Council	87-421-1	1-30-87
14. EOER State Facilities Program	86-5007-3	5-27-87
15. Executive Office of Consumer Affairs and Business Regulation	87-2-7	6-29-87



OTHER STATE AGENCIES (Continued)

	<u>Audit</u>	<u>Audit Number</u>	<u>Issue Date</u>
16.	Executive Office of Economic Affairs	87-7-1	4-09-87
17.	Executive Office of Environmental Affairs	87-5-1	4-20-87
18.	Fiscal Affairs Division - EOAF	86-30-1	4-23-87
19.	Governor's Policy Offices	87-933-1	3-23-87
20.	Industrial Services Program	87-1326-5	6-26-87
21.	Mass. Civil Defense Agency	86-16-1	5-20-87
22.	Mass. Community Development Finance Corporation	87-1022-6	3-11-87
23.	Mass. Product Development Corp.	87-1319-6	7-10-87
24.	Mass. Technology Development Corp.	87-136-6	3-11-87
25.	Merit Rating Board	86-906-1	4-08-87
26.	Metro Area Planning Council	87-762-6	3-25-87
27.	Motor Vehicle Management Bureau	86-934-6	4-23-87
28.	Office of Management Information Systems	86-884-1	5-01-87
29.	Retirement Law Commission	86-63-5	5-08-87
30.	Sergeant-At-Arms	87-235-1	6-09-87
31.	State Board of Retirement and Teacher's Retirement Board	85-88-2	3-03-87
32.	State Racing Commission	87-68-7	5-20-87
33.	U.S.S. Mass. Memorial Commission	87-71A-1	3-13-87
34.	World War II, Korean, and Vietnam Memorial Commission	87-71-6	3-10-87

EDP AUDITS

1.	Brockton District Court	86-1198-4	6-29-87
2.	Criminal Justice Information System	86-857-4	7-01-87
3.	Division of Employment Security	86-221-4	7-10-87
4.	Quincy District Court	87-1161-4	6-10-87
5.	University of Mass./Worcester	86-216-4	7-10-87



DLM DETERMINATIONS AND COST STUDIES  
JANUARY 21 - JULY 21, 1987

LAW, RULE OR REGULATION	ISSUE	RESULT	FUNDING
105 CMR 170.00 ET SEQ.	AMBULANCE SERVICE REGULATIONS	MANDATE, 28 PETITIONERS	FUNDING \$175,000 PROVIDED
CHAPTER 399, ACTS OF 1986	P.O.W. FLAGS	MANDATE, 3 PETITIONERS	FUNDING \$10,000 PROVIDED
CHAPTER 346, ACTS OF 1986	SCHOOL BREAKFAST	MANDATE-STATEWIDE COST ESTIMATE	FUNDING \$360,000 PROVIDED
CHAPTER 503, ACTS OF 1983	POLLING HOURS	MANDATE-STATEWIDE COST CERTIFICATION	FUNDING \$374,345 PROVIDED
CHAPTER 456, ACTS OF 1984	SUICIDE CELL CHECK	MANDATE, 13 PETITIONERS	FUNDING \$600,000 PROVIDED
CHAPTER 165, ACTS OF 1985	RACE AND LANGUAGE	MANDATE-STATEWIDE COST CERT.	FUNDING \$13,433 PROVIDED
CHAPTER 620, ACTS OF 1986	INFRARED BREATHALYZER	MANDATE, 8 PETITIONERS	\$200,000 STATEWIDE COST ESTIMATE
DEQE AIR QUALITY STANDARDS 310 CMR 7.00	DIOXIN TESTING AT MUNICIPAL INCINERATORS	MANDATE, 1 PETITIONER	ESTIMATED FUNDING \$34,300 DEFICIENCY
310 CMR 12.00	SWIMMING POOL REGULATIONS	MANDATE, 1 PETITIONER	\$7,000 DEFICIENCY
HOUSE NO. 4912	POLLING PLACE ACCESSIBILITY	STATEWIDE COST ESTIMATE FOR SENATE WAYS & MEANS	\$3,840,000 FOR LEGISLA- TIVE CONSIDERATION
G.L. CH. 54, SEC. 6	PRECINCT LINES FOR ELECTIONS	NO-MANDATE PRE-81, 1 PETITIONER	NOT APPLICABLE
G.L. CH. 66, SEC. 11	SPEC. FOR SAFES & VAULTS	NO-MANDATE PRE-81, 2 PETITIONERS	NOT APPLICABLE
1979 DEQE REGULATIONS FOR PUBLIC WATER SYSTEMS 310 CMR 1.00 ET SEQ.	STANDBY POWER FOR GENERATORS	NO MANDATE PRE-81, 1 PETITIONER	NOT APPLICABLE



LAW, RULE OR REGULATION	ISSUE	RESULT	FUNDING
310 CMR 22.22	INSPECTIONS OF CROSS CONNECTION	NO MANDATE PRE-81, 1 PETITIONER	NOT APPLICABLE
G.L. CH. 71, SEC. 38	HIRING OF TUTORS	NO MANDATE, PRE-81, 1 PETITIONER	NOT APPLICABLE
310 CMR 19.15	DEQE CLOSING OF COMMERCIAL LANDFILL	NO MANDATE, 7 PETITIONERS	NOT APPLICABLE
CH. 574, ACTS OF 1985	UNCOMPENSATED CARE POOL	NO MANDATE, 1 PETITIONER	NOT APPLICABLE
CH. 700, ACTS OF 1986	GROUP INSURANCE	NO MANDATE, 1 PETITIONER	NOT APPLICABLE
105 CMR 170.000	ADVANCE LIFE SUPPORT FOR AMBULANCES	NO MANDATE, LOCAL OPTION 1 PETITIONER	NOT APPLICABLE
CH. 188, ACTS OF 1985	EARLY CHILDHOOD PROGRAMS	NO MANDATE LOCAL OPTION 1 PETITIONER	NOT APPLICABLE
G.L. CH. 90 C 20A 1/2	PARKING LAWS	NO MANDATE LOCAL OPTION 2 PETITIONERS	NOT APPLICABLE
310 CMR 22.00	DEQE WATER STORAGE TANK GRANTS	NO MANDATE LOCAL OPTION 1 PETITIONER	NOT APPLICABLE
CH. 630, ACTS OF 1986	ASSISTANT REGISTRARS IN HIGH SCHOOLS	NO MANDATE NO COST DOCUMENTATION 5 PETITIONERS	NOT APPLICABLE